

**The minutes set forth are an unofficial copy of this month's board meeting minutes. For an official (signed) copy please contact the Authority.**

## **IOWA FINANCE AUTHORITY BOARD MEETING MINUTES**

**Hotel Fort Des Moines  
January 7, 2004**

### **BOARD MEMBERS PRESENT**

Vincent Lintz, Chair	Roger Caudron
Nancy Evans (via telephone)	Douglas Walter
Steve Adams (via telephone)	Dick Wright
Virginia Bordwell	

### **STAFF MEMBERS PRESENT**

Michael Tramontina, Executive Director	Tim Morlan, Underwriter
Jennifer Amodeo, Secretary	Sharon Murphy, Housing Compliance Specialist
Lori Beary, Community Development Finance Officer	Loyd Ogle, Director of Policy and Governmental Affairs
Roger Brown, Director of HUD Programs, Section 8 Contract Administration	Carla Pope, Service Enriched Housing Director
Mickey Carlson, Single Family Program Manager	Tracy Scebold, Housing Allocation Manager
Donna Davis, Deputy Director, Director of Housing Programs	James Smith, General Counsel
Dennis Dietz, Director of Title Guaranty	Tim Waddell, Tax Credit Manager
Steven Harvey - Comptroller	Nancy Wallis, Administrative Assistant
Craig Johnson, Financial Analyst/Underwriter	Vicky Winter, Legal Secretary
Bret Mills, Chief Financial Officer	

### **OTHERS PRESENT**

Kristi Boyce – Wells Fargo Bank, NA	Ralph Gross – Merrill Lynch
Al Collet – Iowa Department of Economic Development	Dave Grossklaus – Dorsey & Whitney Law Firm
Jim Conlin – Conlin Properties	Reverend Wayne Hoffman – Westkirk Presbyterian Church, Urbandale
Joni DeVries – Wells Fargo Bank, NA	Joe O'Hern – Fannie Mae Iowa Partnership Office
Scott Fitzpatrick – National Equity Fund	Bernie Van Til – Preservation Properties, LLC
Marsha Grant – Preservation Properties, LLC	
Nicole Grooms – State Treasurer's Office	

### **CALL TO ORDER**

Chair Lintz called to order the January 7, 2004 meeting of the Iowa Finance Authority (IFA) Board of Directors at 10:50 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Adams, Bordwell, Caudron, Walter and Wright.

## **REVIEW AND APPROVAL OF MINUTES**

### **December 3, 2003 - Board Meeting and December 10, 2003 - Telephonic Board Meeting**

Chair Lintz introduced the minutes of the December 3, 2003 meeting of the Iowa Finance Authority Board of Directors and the minutes of the December 10, 2003 Telephonic Board of Directors meeting.

Mr. Adams inquired as to the communities included in the Creative Economy Initiative. Mr. Tramontina responded the communities included in the tour are Des Moines, Waterloo, and Iowa City. He stated another stop was added in Sioux City.

**MOTION:** On a motion by Mr. Walter and a second by Ms. Bordwell, the Board unanimously approved the minutes of the December 3, 2003 meeting and the December 10, 2003 Telephonic Board meeting.

## **MANAGEMENT REPORT**

### **Summary & Overview**

Mr. Mike Tramontina reported the Hotel Fort Des Moines is not available as a meeting site for the Board of Directors meeting on February 4, 2004. He stated he prefers not to have a meeting “on the road”, due to weather considerations, but to meet at the State of Iowa Historical Building, which is available, or the Ola Babcock Miller Building. Mr. Tramontina said that an upcoming meeting will be held in Eastern Iowa, preferably in the spring or fall of this year.

Mr. Tramontina stated he received a generous contribution via mail earlier in the week from the partners of the Dorsey and Whitney Law Firm for a plaque to commemorate the Robert Helmick Conference Room, which was dedicated to honor the work for the Authority of the late Mr. Helmick. He said Mr. Tim Waddell is working closely with an artist from Drake University to create a design for the plaque.

Mr. Tramontina reported the 2004 session of the Iowa General Assembly convenes on January 12, 2004. He stated the Condition of the State address will be delivered by the Governor on January 13, 2004.

### **Resolution Increasing Funds for Creative Economy Initiative**

Mr. Tramontina introduced the resolution increasing the amount of the Authority’s co-sponsorship from \$10,000, which was approved by the Board on December 3, 2003, to \$12,500 to defray the costs of the additional event scheduled in Sioux City. He stated the tours are in the process of being scheduled and will include stops in Des Moines, Waterloo, Iowa City and Sioux City. He stated the event in Waterloo is entitled “Art as an Economic Engine – Fuel Not Frill” and will include a day long event with co-sponsorship by the John Deere Foundation and the Cedar Valley Cultural Agencies. Mr. Tramontina said the tour of Sioux City is scheduled for February 3, 2004, the evening before the Board of Directors meeting.

Mr. Caudron submitted a letter disclosing a conflict of interest citing his employer, Downtown Partners Sioux City, having taken an active role in the planning of the event in Sioux City and his role as Executive Director of that organization. He stated he would abstain from voting on the Resolution.

**MOTION:** Mr. Wright made a motion to approve the Resolution Increasing Funds for the Creative Economy Initiative in the amount of \$12,500.00 On a second by Ms. Bordwell, a vote was taken with

the following results: YES - Adams, Bordwell, Lintz, Walter, and Wright. NO - None, ABSTAIN – Caudron, who stated a conflict of interest based on the fact his employer, Downtown Partners Sioux City, has taken an active role in the event planned in Sioux City and his position as Executive Director of that organization (See attached letter). The Board approved the Resolution Increasing Funds for the Creative Economy Initiative on a majority vote.

## **LEGAL / REGULATORY**

Mr. James Smith stated the Respondent's Brief in the Prairie Garden matter will be submitted this Friday. He stated oral arguments are scheduled for January 22, 2004.

## **FINANCE AND ACCOUNTING**

### **General Fund Revenues and Expenditures Report**

Mr. Mills referred to the monthly financial report for November which was included in the Board packet. He stated this report is one of the many standard reports that are available from the AOD system.

### **Section 8 Contract Administration Revenues & Expenditures Report**

Mr. Mills stated Section 8 Contract Administration as a part of the Authority's General Fund; was included in the General Fund report. He said financial data for each program will be provided in the Board packet for the February meeting.

### **Finance Update**

Mr. Mills reported the Single Family Series K L successfully closed on December 23, 2003. He noted his appreciation for the work of the Authority's financing team and especially Mr. Smith, General Counsel, for his work on the transaction.

Mr. Mills updated the Board on the status of the AOD software and stated Mr. Steve Nicosia was in Des Moines the week of December 8, 2003 for final implementation of the AOD Cash Management and AOD Investment modules. He said the accounting staff is hard at work integrating the system into operations and developing reports for management. Mr. Mills requested a special note of recognition be made for Mr. Steven Harvey, comptroller, for his excellent work in meeting the rather ambitious target dates for implementation.

Mr. Mills stated accounting staff will begin attending each board committee meeting to answer questions and learn what financial information board members are particularly interested in seeing or understanding. He said this is a development and training opportunity for accounting staff members as they answer questions pertaining to the financials for one or more programs. Mr. Mills stated the Board will receive a report in February on the current fiscal year through December.

Mr. Mills reported a Request for Proposal (RFP) for Auditing Services has been drafted and was issued prior to the January Board meeting as the current arrangement with KPMG expires in May 2004. He said it was decided to issue the RFP now since time is required with the auditors to identify all of the requirements of the FY2004 audit which can be based on data from AOD accounting software rather than spreadsheets. Mr. Mills stated it is anticipated the selection will be made no later than March 1, 2004 with the goal of completing the audit by September 30, 2004.

Mr. Mills reported authorization and agreements for each bank, brokerage, and safekeeping accounts are being reviewed to ensure all authorization and account agreements are in place and current given the number of personnel changes in 2003. He stated an update will be provided to the Board at the February meeting.

## **STATE REVOLVING FUND (SRF) PROGRAM**

Mr. Tramontina referred to the memo on the State Revolving Fund Report, distributed with the Board packets.

## **COMMUNITY / ECONOMIC DEVELOPMENT**

Ms. Lori Beary stated she had no report.

## **HOUSING PROGRAMS**

### **Homeownership Programs**

#### **Single Family Status, Delinquency and Activity Reports**

Ms. Donna Davis referred to the monthly activities report and charts included in the board packet.

#### **Resolution Thanking Ms. Corlis Moody**

Ms. Davis asked Ms. Mickey Carlson to introduce the Resolution Thanking Ms. Corlis Moody, former director of the Iowa Civil Rights Commission (ICRC). Ms. Carlson reported that over 1700 individuals attended the presentations made by the ICRC on home ownership to minority communities. She stated that Ms. Moody was unable to attend the Board of Directors meeting, having returned to Chicago to reside with her family.

MOTION: Mr. Caudron moved to approve the Resolution Thanking Ms. Corlis Moody for her work on minority homeownership in partnership with the ICRC and the Authority. On a second by Mr. Wright, the Board unanimously approved the Resolution Thanking Ms. Corlis Moody.

Mr. Lintz requested a meeting with the new director of the ICRC once that individual had been appointed.

### **Low Income Housing Tax Credit (LIHTC) Program**

Ms. Davis reported staff is currently in the midst of the 2004 Tax Credit Round and joint review process with the Iowa Department of Economic Development.

### **Compliance**

Ms. Davis reported all management companies, with the exception of two, have been through the training for the new online AOD system for compliance reports. She stated the 2003 Annual report discs have been mailed and compliance reports are due March 1, 2004 for those properties placed in service prior to 2003, and April 1, 2004, for those placed in service in 2003. Ms. Davis said that with the online system, it is anticipated there will be a 50% reduction in manual reporting next year and an 80% reduction the next year with complete online reported by 2006.

Resolution RE: Hawthorne Hill, Project 02-26

Ms. Davis requested Mr. Tim Waddell introduce the Resolution regarding Hawthorne Hill, Project 02-26. Mr. Waddell gave a brief history of the time line of events preceding the request to rescind the tax credits for this project.

Chair Lintz requested the individuals representing the project speak to the Board.

Reverend Wayne Hoffman, Pastor of the Westkirk Presbyterian Church in Urbandale and President of Turning Point Ministries introduced himself and Mr. Bernie VanTil and Ms. Marsha Grant VanTil. Reverend Hoffman requested the Board take no action on the resolution today and grant the project additional time to demonstrate the progress made on the historic rehabilitation/construction. He gave a brief narrative on the difficulty in naming a developer for the project. Reverend Hoffman stated their understanding the project has until December of 2005 for completion because it is a historic rehabilitation. He stated early stages of rehab have been completed, including asbestos abatement and mold removal.

Several of the Board members inquired about the status of financial commitments.

Mr. VanTil explained the financing elements of the project and emphasized the tax credits are necessary to complete the project. He stated he had teamed up with the Energy Bank to design units that are as energy efficient as possible. Mr. Van Til further explained that several of the design requirements of the Energy Bank have conflicted with design and historical requirements, however, he stated those matters have been resolved.

After a lengthy discussion and questioning, the Board requested the following information be made available at the February 4, 2004 Board of Directors meeting: 1) revised financial information on the project showing all sources and uses, 2) signed contracts from the Gorman Company and timeframes for the completion of the construction/rehabilitation, and 3) information from the State Historic Preservation Officer (SHPO) on the status of the process and their expectations and any anticipated challenges. Additionally, it was requested that representatives from Gorman Company, Apollo Housing Capital, and a SHPO representative be present at the February 4, 2004 meeting.

Authority staff will research the issue of a historic rehabilitation project being allowed an extra year to be placed in service (i.e. December 31, 2004 vs. December 31, 2005). Further discussion will take place at the February 4, 2004 meeting.

Chair Lintz requested a poll of the Board members present for their consensus on the Resolution. The following Board members requested the Resolution be tabled for further discussion and a decision made at the February Board meeting after the presentation of the additional information requested from Mr. Van Til. YES: Bordwell, Caudron, Lintz, Water, and Wright, NO: None. ABSTAIN – Mr. Adams who stated he did not have the packet of information distributed by Mr. VanTil to review, as he was participating via telephone.

MOTION: Mr. Caudron made a motion to delay any decision on the Resolution Regarding Hawthorne Hill, Project 02-26 until the February 4, 2004 meeting. On a second by Mr. Walter, the Board unanimously decided to delay any decision on this matter until February 4, 2004.

Ms. Evans connected to the meeting at 1:00 p.m.

The Board recessed the meeting at 1:00 p.m. and reconvened at 1:10 p.m.

## **OTHER HOUSING PROGRAMS**

### **HAF/Former IHC Delinquency and Status Report**

Ms. Davis referred to the written summary and new chart format included in the Board packets.

### **Resolution RE: Sycamore Estates in Muscatine**

Ms. Davis introduced the resolution regarding Sycamore Estates, located in Muscatine. She stated the project is a 72-unit, 1994 low-income housing tax credit project. Ms. Davis said the substitute general partner; Cohen-Esrey Housing Partners is requesting a loan in an amount not to exceed \$1,600,000 at the rate of 6.50% for a term of thirty years.

Mr. Tim Morlan stated a housing needs assessment report was completed by Mr. Jim Brockbank, certified appraiser. He stated an increase in the population of the area has been projected to at least 2008. Mr. Morlan stated the project is in an excellent location and the rents are below market rate.

**MOTION:** Mr. Adams moved to approve the Resolution Regarding Sycamore Estates in Muscatine. On a second by Mr. Caudron, the Board unanimously approved the Resolution Regarding Sycamore Estates in Muscatine in an amount not to exceed \$1,600,000 with a term of thirty years.

## **SECTION 8 CONTRACT ADMINISTRATION**

Ms. Davis referred to the report included in the Board packets detailing the divisions 2003 Customer Service and Satisfaction Survey results. She stated the results have been made available to the general public via the Authority's web site.

Mr. Roger Brown stated the survey results were compiled by Ms. Sheri Krohn, Quality Control Coordinator.

## **GRANTS**

Ms. Davis referred to the written summary included in the Board packets.

### **HOPWA (HUD Grant called Housing Opportunities for Persons with HIV/Aids):**

Ms. Davis referred to the written summary included in the Board packets.

## **TITLE GUARANTY DIVISION (TGD)**

Mr. Dennis Dietz reported that the gross premiums for December were \$730,000, bringing the fiscal year-to-date total to \$3,700,000. He referred to the written report in the Board packets for further information regarding activities relating to TGD.

## **POLICY / LEGISLATION**

### **Federal and State Legislative Update**

Mr. Ogle referred to the Federal and State Legislative updates and two bill drafts for agency bills, the investment of Authority monies with the Treasurer's office and the second which would combine the housing assistance and housing improvement funds, included in the Board Packets.

Mr. Caudron requested that Mr. Ogle continue to closely monitor the Department of Natural Resources' (DNR) legislation to make changes in the Energy Bank program to expand and include

affordable housing and conversion of current heat sources to efficient alternative heat sources for low-income residents.

#### Iowa Council on Homelessness Update

Mr. Ogle reported the first meeting of the newly formed Iowa Council on Homelessness will be Friday, January 9, 2004 from 10:00 a.m. to 12:00 Noon. He stated the membership will initially consist of those representatives from the agencies listed in Executive Order 33. Mr. Ogle requested Ms. Winter send the list of remote sites for the ICN network to the Board of Directors in the event anyone would be interested in attending.

#### Approval of Homeless Coordinator Memo of Understanding (MOU) with IDED

Mr. Ogle referred to the handout provided in the Board packets detailing the memo of understanding with the Iowa Department of Economic Development (IDED) creating and funding the Homeless Coordinator position. He stated one of the main responsibilities of the newly created position will be the balance of state continuum of care application through HUD. Mr. Ogle stated there have been concerns in the past few years with the application and this position will be funded with \$120,000 from the Department of Economic Development over the next three years.

Mr. Wright inquired as to the total cost of the position.

Mr. Ogle stated the total cost of the position will be funded with the \$120,000 from IDED, which is approximately one-half of the total cost of the salary, benefits, and expenses associated with the position and the other half will be provided by the Authority.

MOTION: Mr. Adams moved to approve the Memo of Understanding with the IDED to create and fund the Homeless Coordinator position. On a second by Ms. Bordwell, the Board unanimously approved the Memo of Understanding.

### **COMMUNICATIONS**

In Ms. Fischer's absence, Mr. Tramontina made the Communications Report to the Board. He reported Ms. Fischer continues on loan to the Governor's office and is anticipating returning to the Authority before the next Board meeting. Mr. Tramontina said Ms. Fischer and Ms. Jennifer Amodeo continue to use the clipping service to compile media articles of interest to the Authority.

Mr. Adams commented on the good information included in the Board packets and inquired as to the status of the John Lewis Coffee Shop project in Davenport. Mr. Tramontina responded that he had recently received an email communication that included a date for initiating the project.

Ms. Davis stated the neighborhood association is fully supportive of the project and is working together with the John Lewis Coffee Shop.

Mr. Walter stated the project will now include revitalization of existing homes as well as building several new homes, rather than the original plan which called for building all new single family homes.

Mr. Waddell reported that he met last month with the Taylor Heights Neighborhood Association and John Lewis Coffee Shop together and various issues were discussed, including whether or not the Authority would accept a second request to make a material change in the reduction of units in the original project. He stated the Qualified Allocation Plan (QAP) is silent on the subject and a

determination was made that it is possible to receive such a request. Mr. Waddell said that yesterday he received the request via email, but no original or hard copy had yet been received. He stated the agreement is currently for ten single family units with green space.

Mr. Tramontina commended Mr. Waddell for his work on facilitating and keeping all parties informed on the progression of the project.

### **MISCELLANEOUS ITEMS**

#### Receive Comments from General Public

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no one in the audience wishing to address the Board, Chair Lintz closed the public comment period.

Chair Lintz stated he would like to see promotion of the 2004 Dollars available for downpayment and closing cost assistance under the Single Family Program for the month of January.

#### Next Month

The next regular meeting will be held at 10:45 a.m. on February 4, 2004 at the State of Iowa Historical Building, 600 East Locust, Des Moines.

### **ADJOURNMENT**

There being no further business, on a motion by Mr. Caudron and a second by Ms. Evans, the December meeting of the Iowa Finance Authority Board of Directors adjourned at 1:55 p.m.

Dated this 4<sup>th</sup> day of February, 2004.

Respectfully submitted:

Approved as to form:

Michael L. Tramontina  
Executive Director  
Iowa Finance Authority

Vincent C. Lintz, Chair  
Iowa Finance Authority